

The Future of the Southern Railway in North Carolina

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THE FUTURE OF THE SOUTHERN RAILWAY IN NORTH CAROLINA

For the first time in many years, the Government of the United States finds itself in a position of serious fiscal difficulty. Its revenues are decreasing rapidly, due to the interruption of import duties consequent upon the European war: its expenses have not decreased, but, on the contrary, the pressure is steadily to expand them, and the suggestion of national retrenchment is appallingly unpopular. How the Government of the United States has dealt with this emergency has been of absorbing interest to one charged with responsibility for some part of that form of industry which is public transportation, which in its smaller way has its problem similar to that now confronting the Government of the United States. Like the Government, public transportation can not be interrupted: it can not be shut down like a factory, and its management feels, and, for one, I may say sympathizes with, the constant public demand for improvements for the comfort and convenience of the public.

In its emergency the remedy of the Government of the United States has been comparatively simple. The President goes before Congress and frankly tells them what the situation is, earnestly he urges them to act and to act promptly, and, leaving to their wisdom the ways and means, concludes with an expression of confidence in their patriotism. At once the best intelligence in Congress is concentrated on the solution of the problem, and the American people, through the press and otherwise, accept cheerfully the prospect of a new but inevitable burden of taxation.

On the other hand, a railroad must meet the emergency of a business depression without the provision of a new and deliberately created source of revenue, but by the disagreeable process of retrenchment. It has no other resource, for its usual means of increasing its revenues to keep pace with its increasing expenses, namely: the growth of general business and hence of the demand for its service, have been interrupted by the very conditions which have created the emergency.

I do not repine at this difference. I do not venture to compare the necessities of the Government with the necessities of the railroads, except to suggest the bare parallel which I have outlined. For the railroads we must and I believe can and will work out our own problems. I ask no aid, but I do invoke the sympathy, the understanding and the good will of the Southern people. I mention our problem here simply to illustrate the message which it is my constant effort to carry to the people of the South, and that is the paramount importance to the people of the South that their railroads shall be prosperous, not only to be able steadily to improve their facilities, but to be able to lay by in times of prosperity a store for the time of depression. This, I venture to say, is particularly important to the great State of North Carolina with its present rate of material development and its splendid prospects for the future. I believe that the people of North Carolina are vitally concerned that its

railroads shall be prosperous and that their financial strength shall be such as to enable them to provide the additional facilities that will be required for the prompt and efficient carriage of your constantly increasing volume of traffic. In this respect the need of the railroads and the justification of their improvement is precisely that which has actuated the improvement of the wagon roads of the State, for which the people of North Carolina have been willing, not only to continue to pay the old rates of taxation, but to assume new and heavier taxes. Enlightened men have deemed this a good investment as none can gainsay it is.

Speaking for Southern Railway Company, I claim that its management has proved the sincerity of the views I am expressing by what it has done in the past on its lines in North Carolina. Those of us who were familiar with the condition of its lines in this State at the time when they were taken over on the organization of the Company in 1894 know that they were on a par with the wagon roads of the State at that time and they know, too, what we have already done to improve them. Conspicuous as has been the improvement of the wagon roads in North Carolina in the past twenty years I venture to claim it has not been greater than the improvement of the railroads in the same period. This has been possible in both cases because the people of North Carolina have been notably prosperous.

The total expenditures of the Company for additions and betterments from its organization to July 1, 1913, amounted to \$124,403,465. Of this large sum, expenditures for additions and betterments on our lines in North Carolina have been greater per mile of line maintained than for any other State in which Southern Railway Company operates. and we may fairly claim that the many millions of dollars which the Company has disbursed directly to citizens of this State, not only in the payment for additions and betterments, but also for operation and maintenance, have been a material factor in the progress and prosperity of North Carolina. It has been our ambition, not only to maintain the high standard of Southern Railway Company as the Premier Carrier of the South, but constantly to advance its standard of maintenance and operation until it shall rank second to no railroad in the United States as an efficient servant of the communities it serves. With this end in view, we have prepared programmes for improvements representing what it is desirable to do on different parts of the system. I may summarize briefly some of the more important things that we have had in mind for North Carolina: First is the double-tracking of those parts of our main line from the Virginia State line on the north to the South Carolina State line on the South over which we have at present but a single track. All of this work north of Charlotte, with the exception of the six-mile gauntlet between Rocky River and Concord, is now under contract and will be carried to completion. The volume of traffic between Asheville, North Carolina, and Morristown, Tennessee, is so great that, in the interest of efficiency of operation, this line, thirty-nine miles

of which is in the State of North Carolina, should be double-tracked. To fit all of our lines in the State for the operation of the heavier power and equipment used on the main lines, as is necessary for efficient and economical operation, not less than 861 miles of the lines of lighter traffic should be ultimately laid with heavier rail, and ballast should be put in on substantially all of this trackage. To carry the heavier classes of power which we are now operating on the main lines bridges on certain branch lines built prior to 1902 with the aggregate length of 16,600 feet, or something over three miles, should be rebuilt, and wooden trestles with an aggregate length of 92,000 feet should be filled in and provided with culverts or short-span girders for the accommodation of the water courses under them. To admit of the passage of the larger locomotives now in use there is pressing need for the enlargement of ten tunnels on our lines in North Carolina with an aggregate length of 4,993 feet. On our lines within the State where the volume of traffic is not so great as to justify or require double-tracking in the immediate future there is, in many places, urgent need for increased side-track capacity and additional and longer passing tracks. We have approximately 300 miles of sidings in the State of North Carolina, and promptly, efficiently, and economically to handle freight business in the State we will require a general increase in length of these side-tracks of 20 per cent. At several points in the State enlarged terminal yards are needed. Other improvements that should be made in the interest of efficient and economical operation include the improvement of the existing roadbed in many localities; the enlargement at some points of freight-house facilities, with transfer platforms, necessary tracks, drive-ways, etc.; new and enlarged roundhouses, with their necessary appurtenances; improved coal-handling and cinder-disposing plants; water-supply stations, and a general rebuilding of all track scales on our lines. This summary enumerates only those additions and betterments which, by contributing to economy and efficiency of operation, would be of direct benefit no less to the people of North Carolina than to Southern Railway Company. It takes no account of passenger stations, and other non-revenue producing improvements which are not always essential to more efficient operation, but which we desire to construct from time to time in deference to the wishes of communities. Leaving out these latter items, however, the aggregate estimated cost of the improvements which I have enumerated as being at this time desirable within the State of North Carolina, and many of them urgently required, amounts, in round figures, to \$20,000,000. Under the most favorable circumstances and without any reduction in our revenues from service performed for the people of North Carolina, we could only hope to carry out this programme gradually, doing something year after year as our resources permit. Our surplus can never be expected to be adequate to provide any considerable part of the money needed. We must borrow that money, and the only real basis of a railroad's credit is its earning power. We need,

then, a steadily growing revenue to enlarge steadily our credit so that the funds for our improvements may be secured. In the recent past we have secured that credit by a long continued practice of strict economy and the contemporaneous development of our revenue. This has been possible only because of the constant increase of the prosperity of the South, and notably of the old North State, and we have been earnest in our efforts to increase that prosperity because it is the measure of the power of our own elbow.

As all of you must know, the railroads are facing today a crisis which is part of the problem of every citizen of North Carolina who is engaged in industry. European civilization is paralyzed and world commerce is halted. We in the United States, in the midst of the undisturbed blessings of peace, find our business halting and some of our usual sources of prosperity drying up before our eyes. Like all American citizens, the railroads are prepared to meet the situation bravely. We shall do all we can to maintain prosperity and we shall do nothing to halt that prosperity which may not prove of vital economic necessity. We shall go on with the double-track work which we now have under way, for which the funds were fortunately provided before the European war began, and, as our resources admit, we shall take up from time to time other improvements that are most pressingly necessary, but it may be that we shall have to ask the people of North Carolina patiently to share with us delays growing out of a situation which we can not control. If we can have and hold the confidence of the people of North Carolina during this emergency and convince them that we are administering the railroads for their benefit, and with patriotic motives: that those railroads can be of small value to any one without their support, we shall succeed. It is my personal ambition to prove to the people of North Carolina that they can trust us.

It is a time when all patriotic Southern men should stand shoulder to shoulder, each doing all in his power to lessen the business depression in the South and to hasten its recovery. Southern Railway Company will do its part, co-operating with the Southern people in every practicable way to maintain Southern business and to take advantage of enlarged opportunities for foreign trade, especially with the countries of Central and South America which have been opened up to us by the interruption of the trade of Europe with those countries.

It is with confidence that I appeal to the people of North Carolina to give us their helpful support and co-operation in this emergency, in order that we may pass through it successfully and avoid the necessity of putting into effect a policy of retrenchment, the effects of which would be felt in inconvenience by every citizen of this State, and in the pocket-book not only by every officer and employee of the Company and their families, including the thousands who reside and pay taxes in this State, but by those other citizens of North Carolina who have derived profit from what we buy from them.